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IDAHO PUBLIC
UTILITIES COMMISSION

September 25, 2013

Jean Jewell
Secretary, Idaho Public Utilities Commission
472 W. Washington St.
Boise, ID 83702

Re: Case PAC-E-13-04 - Community Action Partnership Association of Idaho's Petition for
Intervenor Funding.

Dear Ms. Jewell:

Enclosed are an original and seven (7) copies of Community Action Partnership Association of
Idaho's Petition for Intervenor Funding in the above-captioned proceeding.

Sincerely,


Brad M. Purdy

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Community Action Partnership
Association of Idaho

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF PACIFICORP DBA ROCKY MOUNTAIN)	CASE NO. PAC-E-13-04
POWER TO INITIATE DISCUSSIONS WITH)	
INTERESTED PARTIES ON ALTERNATIVE)	COMMUNITY ACTION
RATE PLAN PROPOSALS)	PARTNERSHIP ASSOCIATION
)	OF IDAHO'S PETITION FOR
)	INTERVENOR FUNDING
)	
)	
)	

I. INTRODUCTION

COMES NOW, the Community Action Partnership Association of Idaho (CAPAI) and, pursuant to Idaho Code § 61-617A and Rules 161-165 of the Commission's Rules of Procedure, IDAPA 31.01.01.161-165, petitions this Commission for an award of intervenor funding in the above-captioned proceeding.

III. PROCEDURAL REQUIREMENTS

Rule 161 Requirements:

Rocky Mountain Power (Rocky Mountain; Company) is a regulated, electric public utility with gross Idaho intrastate annual revenues exceeding three million, five hundred thousand dollars (\$3,500,000.00).

Rule 162 Requirements:

(01) Itemized list of Expenses

Consistent with Rule 162(01) of the Commission's Rules of Procedure, an itemized list of all expenses incurred by CAPAI in this proceeding is attached hereto as Exhibit "A."

(02) Statement of Proposed Findings

CAPAI opposes the settlement stipulation pending approval before the Commission in this case. CAPAI's position, set forth in the testimony of its Executive Director, Christina Zamora, and through pre-hearing briefing, is largely based on: 1) Rocky Mountain's refusal to timely respond to CAPAI's discovery requests seeking low-income consumption data and calculations under alternative rate design scenarios pertinent to residential rate design, and; 2) the settlement stipulation is the result of a procedure that is unlawful and seriously flawed in numerous respects, establishes dangerous precedent if approved, is exclusionary with respect to CAPAI, and not in the best interests of ratepayers on the whole as discussed below.

A. Rate Design

As it did in Avista's 2012 general rate case (Case No. AVU-E-12-08), CAPAI continued its quest in this proceeding to obtain low-income consumption data to determine whether the Company's existing residential rate design is fair, just and reasonable to low-income customers. CAPAI notes that rate design is automatically at issue in general rate cases pursuant to the Commission's procedural Rule No. 124(2). This case resulted in a general rate increase. It is a general rate case regardless of any labels or characterizations to the contrary.

For years, CAPAI, Staff, Idaho's electric public utilities and the Commission have either rested on assumptions regarding residential rate design that, based upon the data obtained in the Avista case and this proceeding, appear to have been erroneous or have simply not fully examined the nature of low-income consumption and how varying residential rate design

alternatives impact the poor. These assumptions have existed as a result of the lack of the very data and analysis pursued by CAPAI in this case. It is conceivable that the flawed assumptions have resulted in Commission rulings that were not fair, just and reasonable to low-income ratepayers. CAPAI is not suggesting that the Commission has issued any rulings that were inherently unlawful, but that the absence of the data in question creates that possibility and, therefore, is of considerable value to not just CAPAI and Staff, but the Commission as well.

Among others, these assumptions include the general belief that wealthier people with larger homes and energy-consuming amenities consume more kilowatt hours per month than a low-income family living in a modest dwelling. There are a number of reasons why this might not be true, including: 1) low-income customers live in poorly insulated housing stock; 2) the poor cannot afford weatherization or they rent rather than own their housing and have no right or ability to install weatherization; 3) the poor often use electric heaters; 4) wealthier customers can afford and install modern weatherization measures, and; 5) wealthier customers typically live in newer housing stock already built with modern weatherization technology. In fact, based on results obtained from Avista, it is conceivable that Rocky Mountain's highest residential users consist of a significant percentage of low-income customers.

Another assumption proving questionable is that higher monthly customer charges are detrimental to low-income customers because those ratepayers have little to no discretionary consumption and, combined with the first assumption that they are lower users, higher fixed monthly charges result in higher monthly bills for the poor. If low-income customers are actually higher users on the whole, then this assumption is false and higher monthly customer charges will actually reduce low-income bills because the revenue recovered from those

customers will be shifted from their relatively higher usage, billed through an energy rate, to a flat monthly amount paid by all residential customers.

Because the poor are largely price-inelastic, it is not fair, just or reasonable to allow a residential rate design that disproportionately impacts them for something they have no control over. CAPAI notes that Rocky Mountain has routinely sought substantial increases to its monthly customer charge. The data sought by CAPAI might actually lend some justification to the Company's desire in that regard, just one of many ironies resulting from Rocky Mountain's refusal to respond to CAPAI's discovery requests in this case.

Similar considerations should also be applied to other aspects of residential rate design including the pricing, consumption levels and number of residential rate tiers. If low-income customers consume more electricity and that consumption is non-discretionary, then the existing rate design structure of Rocky Mountain's tiered rates might also be discriminatory to the poor. The legal implications of these considerations have not yet been ruled upon by the Commission because CAPAI is still endeavoring to obtain the necessary data and analyses necessary for the Commission to make such rulings. This is why Rocky Mountain's refusal to timely provide this information in this case was so costly.

CAPAI acknowledges that whatever changes to residential rate design might be needed to eliminate discrimination against the poor must be balanced with the overall objective of energy conservation. Based on the foregoing, CAPAI proposes that the Commission not accept the procedure adopted in this case.

B. Rate Case Procedure

Though the Company's Application purports to "discuss" "alternatives" to a general rate case, the outcome is nothing more than the settlement of a general rate increase with no

discussion of any particular procedure. The highly informal procedure followed was created in a haphazard fashion as the case progressed is more the result of default rather than any agreed upon and well-thought plan. As a result, it sets a dangerous precedent and will likely be copied by other utilities in future general rate cases. The settlement stipulation does not weigh the positive aspects of the procedure employed against the negative. CAPAI has pointed out the negative consequences in the testimony of Ms. Zamora which include the fact that when a rate case is processed through confidential settlement negotiations and created on the fly, it allows for gamesmanship which, in this case, is amply illustrated by the discovery dispute resulting in a considerable waste of time and effort on the part of CAPAI to compel the Company to comply with the law. It was not CAPAI's obligation to ensure such compliance but had it not sought to enforce the Commission's rules, the late data provided by Rocky Mountain would never have been produced at all.

The truth is that Rocky Mountain effectively initiated this case well before it was filed by contacting select parties and engaging in "meetings" in which the desired outcome of this case was discussed, as well as an understanding that formal rate case procedure would be suspended. CAPAI did not become aware of these meetings until well after they were conducted. Those parties invited to participate in these private meetings were given a substantial advantage in the form of having early input and additional time to prepare to respond to Rocky Mountain's filing.

Once the case was filed, therefore, it was already on a fast track and CAPAI could only do its best to catch up. For its part, Staff had seemed predetermined that so long as it could obtain a lower overall rate increase through settlement with little regard for procedure, than if the matter proceeded to hearing under a formal process, ratepayers would all be better off. Issues that were of no interest to the favored class of parties, including residential rate design, were

brushed aside or ignored by those determined to speed up the settlement process. The clear *quid pro quo* of the process leading to the settlement was that the Company would only agree to a lesser amount if it obtained the signatures of enough of the parties it felt a need to satisfy and in a very compressed timeframe, with relatively little effort.

The Company responded to CAPAI's insistence that its discovery requests be fully answered only after the other parties had signed the stipulation and even then did so by proposing that residential rate design be spun off into a vague "collaborative" proceeding which, to CAPAI, has become somewhat of a death knell and was effectively meaningless because the other parties had already agreed to a stay-out provision that prohibited any changes in the Company's residential rate design for a number of years. Furthermore, Rocky Mountain attempted to coerce CAPAI to join the settlement by conditioning a response to discovery and its willingness to engage in a collaborative proceeding on CAPAI's joinder in the settlement and waiver of any right to challenge the stipulation. This exemplifies the heavy-handed nature of the procedure employed and is why CAPAI submits that it should not be countenanced.

Staff's philosophy that the procedure was acceptable so long as the settlement resulted in a lesser rate increase than would have resulted had the matter proceeded to hearing under existing rules, law and policy is no doubt well-intended, but is based on substantial assumptions as to how the Commission would rule on a myriad of issues. It also ignores the costs that come with the abbreviated procedure adopted by the other parties in this case. There is no explanation as to why the outcome proposed in the stipulation could not have been achieved through adherence to general rate case procedure. Finally, it also assumes that low-income ratepayers are better off with a smaller general rate increase regardless of whether the existing residential rate design might discriminate against them. The data obtained, albeit late, suggests that Staff's

assumptions are very possibly not true for low-income customers. CAPAI submits that Staff did not consider the issues raised by CAPAI regarding rate design and is not adequately informed to determine whether low-income ratepayers are truly better off as a result of the settlement. Either way, Procedural rule 124(2) specifically places rate design at issue in any general rate case. Again, the settlement constitutes a general rate case regardless of labels or characterizations.

In summary, CAPAI proposes that, regardless of whether the Commission grants the proposed rate increase sought in the settlement stipulation, it should reject the procedure adopted and notify the parties to this case and all others who are undoubtedly awaiting the outcome of this matter that the confusing, contradictory and unnecessarily abbreviated procedure leading to the settlement is unacceptable and that should any utility, Staff or any other interested person still desire a radically altered general rate case procedure, such undertaking should be undertaken through a stand-alone proceeding initiated exclusively for that purpose followed by any administrative rulemaking that might be required by law.

(03) Statement Showing Costs

Although CAPAI was unaware of and not invited to participate in the pre-filing meetings conducted between the Company, Staff and industrial or special contract customers, it did timely intervene following the Commission's issuance of notice and has fully and vigorously participated in every aspect of this proceeding, including the two settlement conferences that were conducted, engaged in extensive pre-hearing briefing and motion practice, and participated fully in the hearing through the testimony of its witness Christina Zamora as the only party to contest the settlement.

Despite its initial concerns regarding the manner in which the case was being settled so quickly and because it had not had the same amount of time to prepare for settlement discussions

and an expedited procedure as those parties invited to join the pre-filing meetings, CAPAI endeavored in good faith to work with the other parties, engage in discovery in an informal manner as suggested by the Company, and take the Company at its word that it would timely respond to CAPAI's clearly articulated desire for low-income data and analysis.

As a result of Rocky Mountain's actions, however, CAPAI invested considerable resources solely to compel the Company to lawfully respond to legitimate discovery requests. The Company waited to provide the data sought by CAPAI just days prior to the hearing on CAPAI's Motion to Compel. By that point, however, CAPAI had already fully briefed the matter and was prepared for oral argument. The Company accused CAPAI of waiting to late to compel the Company to comply with the law. This reasoning is seriously flawed. CAPAI submitted its discovery requests to Rocky Mountain in April for a case that went to hearing in August. In the interim, CAPAI accepted repeated promises by Rocky Mountain to respond to the discovery that were ultimately broken. Thus, the entire process leading to the settlement was based on a considerable level of trust. Had the Company simply fulfilled its promises and adhered to the law, this money would not have been wasted but, rather, invested in the process of examining the discovery response and its impact on residential rate design considerations resulting in valuable information for the Commission.

The Company's Motion to Strike CAPAI's Brief in Support of Motion to Compel from the record resulted in yet further waste of time and money for CAPAI. The brief that the Company sought to strike set forth specifically how the Company had not acted in good faith in terms of the procedure followed this case. The only logical reason for the Company's Motion to Strike was that CAPAI's brief revealed the flaws inherent in such a lax procedure and the failure to specify the procedure from the outset.

Regarding the reasonableness of CAPAI's costs, CAPAI notes that it has no choice but to minimize its expenses and maximize the effect that its involvement has in proceedings before the Commission in light of its limited financial resources for this type of effort and especially in light of recent federal budget cuts. CAPAI usually must forgo retaining expert witnesses and consultants in highly technical areas and, instead, adopt a resourceful approach using what limited resources that are at its disposal.

Thus, in light of the foregoing, CAPAI respectfully submits that the costs incurred, and requested in Exhibit "A," are reasonable in amount.

(04) Explanation of Cost Statement

CAPAI is a non-profit corporation overseeing a number of agencies who fight the causes and conditions of poverty throughout Idaho. Many of CAPAI's funding sources are unpredictable and impose conditions or limitations on the scope and nature of work eligible for funding. CAPAI, therefore, has relatively little "discretionary" funds available for all projects.

CAPAI's sole source of funding to cover the costs of intervention before this Commission is the LIHEAP program. CAPAI's LIHEAP budget is severely limited and inflexible and, if recent years serve as any indication, uncertain as to its future levels.

Thus, were it not for the availability of intervenor funds and past awards by this Commission, CAPAI would not be able to participate in cases before this Commission representing an important and otherwise unrepresented segment of regulated public utility customers. Even with intervenor funding, participation in Commission cases constitutes a significant financial hardship because CAPAI must pay its expenses as they are incurred, not if and when intervenor funding becomes available.

(05) Statement of Difference

There is an obvious abundance of differences between the respective positions of CAPAI and the Commission Staff including the fact that CAPAI opposes the stipulation which Staff proposes, CAPAI addressed issues Staff did not, and CAPAI objects to the procedure adopted by Staff and other parties in this case. CAPAI was the only party to fully analyze rate design as it affects residential, low-income customers.


(06) Statement of Recommendation

CAPAI's efforts to assess the impacts of Rocky Mountain's current rate design was not limited to low-income customers but was relevant all residential customers. CAPAI is the only party to this case whose constituents are exclusively residential customers. The analysis performed by CAPAI produced useful information to the entire residential class and, CAPAI respectfully submits, valuable to the Commission. Because Rocky Mountain's residential class pays for the majority of the Company's overall revenue requirement, anything affecting that class involves issues of concern to the general body of ratepayers.

(07) Statement Showing Class of Customer

To the extent that CAPAI represents a specific customer class of Rocky Mountain, it is the residential class.

RESPECTFULLY SUBMITTED, this 25th day of September, 2013.


Brad M. Purdy

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 25th day of September, 2013, served a copy of the foregoing document on the following by hand delivery, electronic mail and/or U.S. mail, first class postage.

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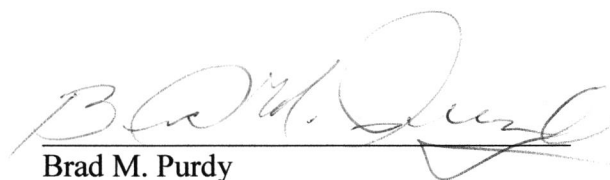
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Jean Jewell
Commission Secretary
Idaho Public Utilities Commission



Brad M. Purdy

EXHIBIT "A"
ITEMIZED EXPENSES

Costs:

Photocopies/postage:

\$750.00

Total Costs

\$750.00

Fees:

Legal (Brad M. Purdy – 102.00 hours @ \$150.00/hr.):

\$15,300.00)

Total Fees

\$15,300.00

Total Expenses

\$16,050.00